

**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT**

**Rural Business Cooperative Service  
Rural Housing Service  
Rural Utilities Service**

**601 Business Loop 70 West  
Parkade Center, Suite 235  
Columbia, MO 65203**

**(573)876-0976  
FAX (573)876-0977  
TDD (573)876-9480**

For Administrative Use Only

Missouri RD AN No. 1434 (3550 & 3560)

January 30, 2006

TO: All Area Directors and  
Rural Development Managers

FROM: /s/  
Gregory C. Branum  
State Director, Rural Development

SUBJECT: Wage and Benefit Matching for Single and Multi-Family Housing Programs

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to notify Area Directors and Rural Development Managers of the availability of requesting income information from Missouri Employment Security. The requests will be made via the internet by users assigned by the Area Directors. **(See Attachment A)**

**COMPARISON WITH PREVIOUS AN:**

This AN replaces MO AN 1413 (3550 and 1930-C) dated August 4, 2003.

**IMPLEMENTATION RESPONSIBILITIES:**

We have signed an Agreement with Missouri Employment Security to obtain Unemployment Insurance Benefit History and Wage Information via the internet on single family housing applicants and borrowers and Rural Rental Housing tenants. The reports provided will contain the following information:

Wage Information – This will show the employer's name and wages reported during the base period (first 4 of the last 5 completed calendar quarters.)

Unemployment Insurance Benefit History – This will show the eligibility for benefits, amount of weekly benefits, maximum benefit amount, benefit amount balance, and benefit year beginning and ending dates.

**The information furnished is strictly confidential and can be released to a third party only upon written approval of the Director of the Missouri Division of Employment Security.** Rural Development cannot divulge any specific information received as a result of the computer wage match, and should not be identifying the source of our information, instead using terms such as "information which has become available to us".

**SINGLE FAMILY HOUSING**

Local Offices will submit their requests to the Area Office. See **Attachment B to this Administrative Notice** as your method of ordering requests. Each office should establish an operational file for tracking SFH wage matching information. Unemployment Insurance Benefit History and Wage Information should not be filed in the individual borrower/applicant's file. They should be filed in a locking file cabinet.

For Single Family Housing – Use **Attachment C** to notify all applicants of the wage and benefit matching system.

EXPIRATION DATE:  
September 30, 2006

FILING INSTRUCTION: Preceding  
Rural Development Inst. 3550 & 3560 HB-  
3 Missouri State Supplements, Appendix 1

The turn around time should be immediately after ordering via the internet. The use of this type of information does not replace Verification of Employment, form RD 1910-5, but should supplement it. In SFH, in addition to wage matching 10 percent of all loan and grant applications, you may also use the information on an as-needed basis if there are questions in regards to income. The local office is responsible for making sure these guidelines are met.

Our agreement with Employment Security provides for the report to be destroyed within one year. After verification of the information, the report does not need to be retained unless there are discrepancies.

### RURAL RENTAL HOUSING

Failure to report income results in a tenant receiving unauthorized rental assistance or failing to pay overage. It must be repaid. Borrowers who discover or have been advised that the potential for recapture of unauthorized assistance exists have primary responsibility for attempting to recapture the unauthorized assistance.

When a tenant moves out of a property, the borrower is no longer responsible for collecting the unauthorized assistance. At that point, the State Office has primary responsibility to collect at its discretion and in accordance with the Debt Collection and Improvement Act through the Treasury Offset Program (TOP).

#### **State Office will:**

- Wage match 10% of all tenants being recertified, and 100% of all recertified tenants with incomes less than \$2,000. Wage match all new move-ins.
- Maintain a tickle file to wage match quarterly all re-certified tenants with income less than \$2,000 and new-move-in's with very little income as a follow-up to the initial certification.
- Notify the borrower when a discrepancy has been found. **(Attachment F)**
- Follow-up with the borrower until an agreement with the tenant has been reached and monitor the collection of the recapture until the debt has been paid in full.
- Collect all payments of unauthorized assistance or make adjustments to the monthly project worksheet to collect tenant payments.
- State Office will collaborate with OGC when applicable.
- Work with Finance Office through the Treasury Offset Program to recapture unauthorized assistance from tenants who have vacated the unit.
- Use **Attachment F** to notify the borrower/management agent of any discrepancy found.

#### **Borrowers will:**

- Use **Attachment D** to notify all tenants of the wage and benefit matching system
- Verify all income in question with the tenant and the employer.
- Compute the amount of unauthorized assistance received and provide the tenant with a notice of intent to recapture unauthorized assistance and provide tenants with a copy of 7 CFR 3560.160 *Tenant Grievances*. **Attachment E** may be used for the purpose of calculating the amount of unauthorized assistance received.
- Obtain an agreement with the tenant for the recapture of unauthorized assistance.
- When unauthorized assistance is identified and the tenant continues to reside in the complex, the borrower will be responsible for collection of assistance received by the tenant. Once the tenant vacates the unit, collection will be enforced by the State Office through the Treasury Offset Program (TOP).
- Borrower will make restitution to Rural Development when the receipt of unauthorized assistance is the result of error or omission on the part of the borrower or management company.

#### **Area/Local Office will:**

- When conducting supervisory visits, wage matching will be requested on **ALL** tenants in family designated complexes and for those tenant files selected for review in elderly designated complexes (20% or 6 files). The wage matching information received will assist staff in determining which files to review. All discrepancies found will be identified to the borrower in the

supervisory visit report and the borrower should be notified that State Office will be contacting them concerning the potential for unauthorized assistance, and referred to the State Office for investigation.

- Advise the State Office when the discrepancy found is the result of error or omission on the part of the borrower or management company. Special care will be taken to document the facts in regard to the error or omission with same being provided to State Office for consideration.
- Notify State Office when a discrepancy is found and provide necessary documentation to the State Office to facilitate notification to the borrower of the discrepancy.
- Keep State Office apprised of all problems related to unauthorized assistance.
- Recapture of unauthorized assistance (either rental assistance or interest credit assistance) will be handled in accordance to RD Instruction 1951-N. Whether it is the owner's fault or tenant's fault, recapture of unauthorized assistance will be tracked in MFIS. A servicing effort will need to be entered in MFIS once an agreement has been reached for the recapture of the unauthorized assistance. Please complete the details in the comment field for the amount to be paid back. Also, a tracked account will be established for the amount to be paid back in MFIS. If it is the borrower's fault, this will be tracked under "Other Accounts" and if it is the tenant's fault, it will be tracked under "Tenant Accounts".